



WISCONSIN REGULATORY DIGEST

Volume 9, No. 2 **A Publication of the**
ACCOUNTING EXAMINING BOARD **September, 1998**

Governor Tommy Thompson Appoints New Board Members

Thomas J. Kilkenny, is a professional member of a major firm. He is an assurance and business advisory partner, certified public accountant for the accounting firm Arthur Andersen LLP.

Norbert J. Johnson, who prefers to be called "Jim," has been nominated to succeed Karen Kalishek as a professional member. He will begin serving after Ms. Kalishek's resignation or upon Senate confirmation. Mr. Johnson is looking forward to serving on the Board.

Farewell

David A. Benner, CPA, Milwaukee, resigned from the Board to pursue a job opportunity. We like to thank Mr. Benner for his service rendered on the Board. Mr. Benner will be missed.

THE WISCONSIN ACCOUNTING EXAMINING BOARD

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Myra Shelton, Executive Assistant

Tax Delinquency, A New Basis for Denial, Suspension and Revocation

Since 1996, the law has required the department to verify that applicants for credential renewal are not delinquent in payment of Wisconsin state taxes. The department is required to deny renewal if the Department of Revenue certifies that an applicant is tax delinquent.

Effective January 1, 1999, the scope of the law will expand to apply to other state agencies, including the Department of Transportation and the Department of Natural Resources. The law will also change to include applicants for new licenses and current credential holders. After January 1, 1999, the Department of Regulation and Licensing is required to deny the applications for an initial credential if the applicant is certified by the Department of Revenue as being liable for delinquent state taxes. The Department will also be required to revoke the credential of current holders who are tax delinquent.

A person denied or revoked because of a tax delinquency status may request the Department of Revenue to review the certificate of tax delinquency at a hearing.

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The text of the new law is in 1997 Wisconsin Act 237 at section 307 and sections 532-551.	

Act 237 is available in most public libraries and can be viewed on the Internet at <http://www.legis.state.wi.us/billtext/acts/97acts.html>.

Law Sanctions Professionals With Delinquent Support

In April 1998, legislation was enacted which provides for suspension of credentials for failure to pay support or for failure to comply with a subpoena or warrant related to paternity support proceedings. The determination of failure to pay support or failure to comply with a warrant or subpoena will be made by county support agencies or the Department of Workforce Development.

The Department of Workforce Development, after proper notice and provision for hearing, will certify to the Department of Regulation and Licensing that a professional who holds a credential issued by the department, or who is applying for a credential is delinquent in support or has failed to comply with a subpoena or warrant. The department then shall restrict, limit or suspend a credential or deny an application for an initial credential or for renewal of a credential. The credentials will remain restricted, limited or suspended until the department receives notification of release from the Department of Workforce Development. However, credentials shall not be sanctioned for more than five years if instituted because of delinquency in support, or for more than six months if instituted for failure to comply with a subpoena or warrant. This act became effective in April 1998.

The new law, 1997 Wisconsin Act 191, is available in most public libraries and can be viewed on the Internet at <http://www.legis.state.wi.us/billtext/acts/97acts.html>.

Department to Collect Social Security Numbers

The new support collection act requires the Department of Regulation and Licensing to collect social security numbers from all individuals who apply for new credentials. Applications from individuals who do not submit their social security number will be denied. The social security numbers collected may be disclosed only to the Department of Workforce Development for the purpose of enforcing the Family Support Collection Act, or to the Department of Revenue for the purpose of checking for tax delinquencies.

Administrative Warnings May be Issued Under New Law

Examining boards, the department and other regulatory authorities are authorized to issue administrative warnings under a new law effective May 5, 1998. An administrative warning may be issued to close an investigation if a regulatory

authority determines that no further action is warranted because the complaint involves a first occurrence of a minor violation and the warning adequately protects the public.

Under the law, an administrative warning puts the professional on notice that if the misconduct is repeated, the incident that was the basis for the warning can be used to prove that the person warned knew the conduct was prohibited. A warning is not discipline and may be issued without a formal complaint or a hearing. The contents of the warning shall be private and confidential.

A credential holder may have a warning reviewed before the department or board that issued the warning. The law requires the department to promulgate rules establishing uniform procedures for administrative warnings. 1997 Wisconsin Act 139 is available from the department and can be viewed on the Internet at <http://www.legis.state.wi.us/billtext/acts/97acts.html>.

AEB -- Reinstatement of Licensee 5 or More Years After Expiration [Accy 4.035(5)]

Beginning January 1, 1997:

- Required to take one hour of CE for every month not renewed, up to a maximum of 80 credits. The month in which the renewal request is made does not count in calculating the credits needed.
- Will be credited with any relevant professional CE taken during the 24 month period prior to the date the request for renewal is made.
- Has 2 years from the date of renewal request to obtain the required credits, but license will be reinstated after submitting proof to Department of Regulation and Licensing of having obtained 40 credits. [The credit hours for relevant professional CE taken during the 24 months prior to the date of the renewal request ARE counted toward the initial 40 hours needed for licensure].
- Must take and pass the professional ethics examination under Accy 3.10.

Example: CPA's license expired on January 1, 1993. CPA requests renewal on October 6, 1998. Credential holder has obtained 10 CE credits during the 24 month period prior to October 6th.

Result: CPA's license has been expired for 5 years and 9 months (not including October, 1998). Credential holder must obtain 69 CE credits. CPA already has 10 of the 69 needed overall, and 10 of the 40 needed for reinstatement. Thus, upon submitting proof of obtaining an additional

30 credits, credential holder will receive their license. Credential holder will then have until October 6, 2000 to submit proof of having obtained the 29 additional credits needed.

Disciplines

DENNIS L. FARR, CPA SUSPENDED (One year)
MONROE, WI

On 9/15/95, following his "Alford" pleas of No Contest, he was convicted of one felony count of Communicating with Jurors and one felony count of Bail Jumping. Effective 5/28/98. Sec. 442.12(2), Stats. Accy 1.401(2)(b) Case # LS9607161ACC. On 6/29/98, Farr filed a petition for review with the Sauk County Circuit Court.

STEVEN H. KREMER
LADYSMITH WI

Held himself out to the public as a Certified Public Accountant. Engaged in the practice of certified public accounting and used the title of "certified public accountant" without a certificate as a certified public accountant. He is enjoined and prohibited from continuing this conduct unless and until he obtains the appropriate credential. Effective 3/16/98. Secs. 442.03(1) and 442.07(2), Stats. Case # LS9801271RAL.

Complaints Against Licensees

Complaints are processed in the following manner:

All complaints received by the Accounting Examining Board and the Department are routed to the Division of Enforcement (DOE) where they are logged into the computer and given a number.

Complaints are screened by several board members and the supervisor of the DOE prosecutors and the supervisor of the DOE investigators. The complaint screening process results in a decision to open or not open a complaint for investigation. Sometimes additional information is requested of the complainant at this stage of the process. Most boards are now moving toward screening complaints at least once a month.

If a complaint is opened for investigation, it is assigned to a team in DOE. Teams consist of prosecutors, investigators, legal assistants and, in some cases, auditors. A specific prosecutor and investigator is assigned to the case and the investigator commences an investigation as soon as possible. The investigation generally includes corresponding with the complainant, the licensee and other people with relevant information. Documents are reviewed and the investigator often interviews people to obtain more information.

A board member is assigned to the case as an advisor. The board member offers suggestions to the investigator and, after the investigation is concluded, the advisor recommends that the case be closed for a certain specified reason or that the case proceed to possible disciplinary action.

If the case advisor recommends possible disciplinary action, a prosecutor reviews the file and requests additional investigation, if needed. The prosecutor usually offers the licensee an opportunity to agree to a resolution of the matter. The offer may be in the form of a written stipulation for some type of discipline, such as a revocation, suspension, limitation, reprimand, and/or an assessment of all or part of the costs of the investigation and prosecution. If the licensee rejects the stipulation, the attorney schedules a hearing before an administrative law judge. The hearing is like a trial and the licensee may have an attorney represent him or her. After the hearing, the administrative law judge prepares a proposed decision and refers it to the Board.

If a case advisor recommends that a case be closed, the case is reviewed by the Board at its next meeting and the Board either concurs or refers the case for disciplinary action. Stipulations and proposed decisions are also referred to the Board for final disciplinary action. If the Board disagrees with a proposed stipulation, the Board may refer the case back to the prosecutor for more negotiations or, possibly, a hearing. If the Board disagrees with a proposed decision of an administrative law judge, it may change parts of the proposed decision, but it will have to explain why it is making the change.

There is considerable due process built into the complaint process. Licensees or their attorneys are given many opportunities to respond to proposals and to object to decisions. Ultimately, if a licensee disagrees with the Board's disciplinary decision, the licensee may appeal the case to the Court of Review.

Letters are sent to complainants and licensees at various stages in the process, informing them of receipt of a complaint and the final disposition of a complaint.

Department of Regulation and Licensing
Accounting Examining Board
P.O. Box 8935
Madison, WI 53708-8935

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Automated Phone System for Business
Professions: (608) 266-5511.

Application Forms	Press 43
Complaints Against Licensees	Press 12
Verification of Licensure and	
Name/Address Changes/Renewal	Press 21
Practice Questions	Press 32
Application Processing & Requirements	Press 42
Fax Number (608) 267-3816	

Verifications

Requests for verifications to other states must be in writing. The cost is \$10. Please make out check or money order to the Department of Regulation and Licensing.

Dates to Remember

Board Meetings: December 4
Exams: May 5-6, 1999, November 3-4, 1999
Deadline: 60 days before exam

Visit the Department's Web Site

<http://badger.state.wi.us/agencies/drl/>
Send comments to dorl@mail.state.wi.us

Digest on Web Site

The March 1998 digest is on the Web.

Wisconsin Statutes and Code

Copies of the Accounting Statutes and Administrative Code can be ordered from the Department. Include your name, address, county and a check payable to the Department of

Regulation and Licensing in the amount of \$5.28.
The latest edition is dated June, 1997.

Change of Name or Address?

Please photocopy the mailing label of this digest, make changes in name or address, and return it to the Department. Confirmation of changes are not automatically provided.

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